

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting

October 6, 2005

COMMISSIONERS PRESENT

Nancy E. McFadden, Chair
Marco Firebaugh
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Lynn Schenk

CMAC STAFF PRESENT

Keith Berger, Executive Director
Paul Cerles
Enid Barnes
Theresa Bueno
Denise DeTrano
Holland Golec
Steve Soto
Michael Tagupa
Mervin Tamai
Carol Tate
Karen Thalhammer

COMMISSIONER ABSENT

Cathie Bennett Warner

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Toby Douglas, Department of Health Services

I. Call to Order

The October 6, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Nancy McFadden. A quorum was present.

II. Approval of Minutes

The September 22, 2005 meeting minutes were approved as prepared by CMAC staff. Chair Nancy McFadden abstained due to her absence at the September 22 Commission meeting.

III. Executive Director's Report

Mr. Berger took a moment to thank CMAC's Deputy Director and Supervising Negotiator, Paul Cerles, for presenting the executive report during Mr. Berger's absence at the last meeting.

Mr. Berger noted that the Governor signed SB 1100. It establishes the Medi-Cal Hospital/Uninsured Care Demonstration Project Act that provides the statutory framework for implementing a new, five-year Medicaid demonstration waiver. CMAC staff has been working internally and with DHS on some implementation issues and will continue to do so for unique facets of the new waiver and authorizing statute. First priority is initiating a process for private hospital supplemental payments. The statute requires that the first payment from the new supplemental fund be made by January 1 for most of the private hospitals eligible to participate. Mr. Berger noted that normally by this time the supplemental process is well underway, but because the statute was just signed, time is limited, and the objective is to start immediately. CMAC staff is targeting the final recommended amendments to be brought before the Commission for action in November; this will give DHS and the State Controller time to make the payments before January 1. Mr. Berger indicated that when the final Disproportionate Share Hospital (DSH) list is published for 2005-06, CMAC staff will begin at least one additional round of supplemental fund negotiations.

At this time, Mr. Berger asked Mr. Douglas if he could give the Commission additional information on the new waiver.

Mr. Douglas indicated that as part of the terms and conditions DHS staff has submitted two State plan amendments: one for inpatient costs and changes to the DSH program, and one regarding physicians and non-physician practitioners, such as interns and residents. These state plan amendments were submitted on Friday, September 30, and would be effective back to July 1.

DHS is also working in cooperation with the public hospitals on the definition for allowable costs for Certified Public Expenditures (CPE): DHS has submitted a revised methodology to Centers for Medicare & Medicaid Services (CMS), along with their differences and opinions on the Medicare cost report and the federal definition to draw down uninsured costs. DHS is hoping that CMS will respond quickly so that the State can proceed with the CPE interim rate implementation for the 22 distressed public hospitals by December 28.

Mr. Berger stated that CMAC staff will continue to update the Commission. Mr. Berger indicated that CMAC staff are analyzing the criteria for disbursements from the distressed hospital fund before CMAC moves forward with implementing this element of legislation.

In concluding his report, Mr. Berger indicated that there are three new contracts and amendments for action before the Commission during today's closed session.

IV. Medi-Cal Managed Care Activities

Mr. Berger indicated that there was nothing new to report at this time. Mr. Berger stated that Mr. Cerles had informed the Commission at the last meeting that there are a number of managed care amendments that CMAC is preparing with the expectation of having both the San Diego and Sacramento plans before the Commission for action in November.

V. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session. Chair McFadden opened the closed session, and after closed session items were addressed, the Commission went into executive closed session. After the executive items were addressed, the executive and closed sessions were adjourned and the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital contracts and amendments in closed session. The open session was then adjourned.